United Nations A/AC.109/2005/16

General Assembly

Distr.: General
7 April 2005

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Montserrat

Working paper prepared by the Secretariat*

Contents

		Paragraphs	Page
I.	General	1–4	3
II.	Constitutional, political and legal issues	5–18	3
III.	Status of the Montsoufriere volcano	19–23	6
IV.	Economic conditions	24–53	8
	A. General	24–26	8
	B. Budget	27	8
	C. Banking and finance	28–31	8
	D. Tourism	32–35	9
	E. Construction and infrastructure	36–45	10
	F. Agriculture and fisheries	46–53	12
V.	Social conditions	54–60	13
	A. Education	54–58	13
	B. Health	59–60	13
VI.	United Kingdom development assistance	61–62	14
VII.	Relations with international organizations and entities	63–69	14

* The document was submitted late to the conference services without the explanation required under paragraph 8 of General Assembly resolution 53/208 B, by which the Assembly decided that, if a report is submitted late, the reason should be included in a footnote to the document.

05-30069 (E) 020505

VIII. Future status of the Territory 70–80 15
A. Position of the territorial Government 70 15
B. Position of the administering Power 71–80 16
IX. Consideration by the General Assembly 81 17

I. General

1. Montserrat[1] is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of the French Overseas Department of Guadeloupe. The island covers an area of 103 square kilometres, all of which is volcanic and mountainous. Its coastline is rugged and there is no all-weather harbour.[2]

2. Montserrat was named after a Spanish monastery by Christopher Columbus on his second trip to the island in 1493. In 1632, the island became a British colony, and its first settlers came mainly from Ireland. Slaves, who worked the cotton, sugar and tobacco plantations, were unsuccessful in an uprising in 1768. Although Montserrat was occupied by France for brief periods, it returned definitively to British rule in 1783. Montserrat became a British Crown Colony in 1871.

3. In July 1995, the Montsoufriere volcano, dormant for more than 400 years, erupted and caused the evacuation of population from the southern part of the island to its northern "safe" areas. Montserrat's capital, Plymouth, was abandoned after the increase in volcanic activity in 1996. The temporary capital is now located in Brades and a new capital is being planned in Little Bay, which is situated on the north-east coast of the island.

4. The population of Montserrat was 10,581 in 1995. By 1998, it was reduced to 3,500. In 1999, the population was estimated to be 4,600, and in 2003 approximately 4,483. The preliminary figures for 2004 have shown an increase of 207, or 4.65 per cent growth, to 4,690.[3]

II. Constitutional, political and legal issues

5. Montserrat is a Non-Self-Governing Territory of the United Kingdom of Great Britain and Northern Ireland. The Montserrat Constitution Order came into force in 1990. It provides for a Governor appointed by the Queen; an Executive Council comprising the Governor as President, the Chief Minister, three ministers and two ex officio members (the Attorney General and the Financial Secretary); and a Legislative Council, comprising a Speaker, two ex officio members (the Attorney General and the Financial Secretary), seven elected members returned from single-member constituencies on the basis of universal adult suffrage and two nominated members. Elections are held every five years on the basis of universal adult suffrage. Since the eruption of the Montsoufriere volcano, the entire island has been considered to be one electoral constituency. Nine at-large members are elected in two rounds of voting. The new Assembly does not include any nominated members. The next election is due to be held in early 2006.

6. As was reported in last year's working paper (A/AC.109/2004/13, para. 6), the new electoral system has established a qualifying pre-poll residence period of 36 months, which caused some displeasure among the Montserratians living and working abroad.

7. Ministerial responsibilities cover all areas of government business, including finance. While the Governor retains responsibilities for external affairs, internal security, defence, the public service and offshore financial services, he or she is expected to act on the advice of the Ministers.

8. The current Governor of Montserrat, Deborah Barnes-Jones, took office in May 2004, and is the first female Governor of a British Territory. She is the successor to Anthony J. Longrigg, who retired from the British diplomatic service after almost three years of service as Governor of Montserrat.[4] The Chief Minister, John Osborne, took office in April 2001. The main political parties are the New People's Liberation Movement and the National Progressive Party.

9. As was reported in last year's working paper (A/AC.109/2004/13, para. 10), in 2002 a Constitutional Review Committee was appointed to review the Constitution. In March 2003, the Constitutional Review Commissioners released a report, which recommended, among other changes to the current Constitution, that the Chief Minister of the Territory be invited to examine short-listed candidates for the position of Governor and make a reasoned recommendation, thus participating in the selection process. The report recorded a minority view that the Chief Minister could not do that effectively since he did not know the candidates. Nevertheless, the report concluded that the proposed change from the imposition of the candidate by the United Kingdom to cooperative action in choosing a Governor would have symbolic significance. In addition, the report registered the opinion that a candidate for Governor should have stipulated qualities and capabilities, namely that such a person should have some understanding of Caribbean and Montserrat culture, as well as some skills in the area of development planning.[5]

10. According to information provided by the administering Power, during the discussion of the constitutional review process in the Territories and the role of Governors at the Overseas Territories Council meeting in December 2003, in response to the intention by the Foreign and Commonwealth Office to arrange talks with Governors and the Opposition in London on the proposed changes in the Constitutions of all Territories, the Chief Minister of Montserrat remarked that in Montserrat constitutional change was not a party political matter. He said that he had established a bipartisan committee under the chairmanship of the leader of the Opposition to consider Montserrat's constitutional report.

11. The report of the Constitutional Review Commission also suggested that Montserrat and the United Kingdom should develop some arrangement that would allow the Territory to trade in international markets without the approval of the United Kingdom. The dependent status of Montserrat should not impede its ability to engage in such trade, and provision to allow it to do so should be included in the Constitution.

12. In addition, the report stated that the dependent status of Montserrat should not prevent it from benefiting from certain international arrangements and conventions, as the Territory is part of the global community. For example, under the Kyoto Protocol on climate change (1997), industrialized countries which cannot meet established targets for reducing the greenhouse effect might buy emission credits or invest in energy conservation, using the Kyoto mechanism. While independent Caribbean countries, signatories to the Protocol, can sell their "extra" credits to the developed countries, Montserrat is excluded from that process. At the same time, the United Kingdom is expected to fund such emission credits from corporate taxes.[6] The full committee of the Legislative Council has examined the recommendations of the Constitution Review Committee and will forward the final recommendations to the Foreign and Commonwealth Office for consideration.[7]

13. The law of the Territory is English common law together with locally enacted legislation. It is administered by the Eastern Caribbean Supreme Court. The Royal Montserrat Police Force is funded by the technical cooperation programme.

14. During his visit to London in October 2003, the Chief Minister of the Territory asked the United Kingdom for permission to join the other members of the Caribbean Community (CARICOM) in establishing a regional Appellate Court and a Single Market and Economy (see also para. 64 below). Currently, Montserrat is the only member of that regional organization that has not signed the relevant protocols. CARICOM plans to establish a single market by 2008, when member countries are to lift trade barriers under the Free Trade Area of the Americas. The Caribbean Court of Justice is considered to be essential for resolving regional trade disputes. It was to be inaugurated on 16 April 2005 and will replace the London-based Privy Council as the highest appeals court for many English-speaking Caribbean countries.[8] According to the Governor of the Territory, the United Kingdom has no intention of holding the integration process in the Caribbean. This discussion takes place against the background of the British Government urging Montserrat to become more self-sufficient as the United Kingdom reduces its yearly subsidies to the Territory.[9]

15. The Government of Montserrat, recognizing the need to fulfil responsibilities in meeting the requirements of the various United Nations human rights conventions extended to it by the British Government, has established a human rights reporting committee, which was authorized by the Executive Council in early 2004. The functions of the committee include preparing the reports required under each convention in a timely fashion and making them available for public consultation, monitoring the implementation of the various conventions, advising the Government of any shortcomings and making suggestions for remedying such shortcomings. The committee is supposed to liaise with Government departments and non-governmental organizations to determine the level of compliance with the requirements of the various conventions extended to Montserrat. The 2004 reports on the themes "C87 Freedom of Association and Protection of the Right to Organize Convention, 1948" and "C98 Right to Organize and Collective Bargaining Convention, 1949" have been completed and submitted to the International Labour Organization. The committee has taken steps to facilitate the creation of a human rights commission in Montserrat and anticipates that representatives of the National Youth Council and Chamber of Commerce and Industry will be the nucleus for the establishment of this independent body. Two members of the committee attended the sixth annual human rights conference held in the United Kingdom in October 2004.[10]

16. The Government of Montserrat has announced new eligibility criteria for permits of permanent residence to non-nationals. The new criteria are contained in Montserrat Statutory Rules and Orders No. 17 of 2004, also entitled "Immigration Regulation 2004", made by the Governor-in-Council under section 39 of the Immigration Act. Under the new criteria, applicants for permits of permanent residence must have resided on Montserrat for not less than eight years, must have been gainfully employed and must have maintained a savings account with an average monthly balance of at least EC$ 5,000 during the six months immediately proceeding the date of application. In addition, applicants need to produce a character certificate from the Police Department of the country or countries where they resided for a period of 12 years prior to the date of the application. They may

not have been absent from the island in excess of 90 days during any one year of the eight years immediately preceding their application for permanent residence. The new eligibility criteria apply to any non-national resident of Montserrat on or subsequent to 1 January 2003. The Government of Montserrat has announced new fees for the issuance of permanent residence permits to non-nationals, which are contained in Montserrat Statutory Rules and Orders No. 18 of 2004.[11]

17. With effect from 5 July 2004, the Customs Department introduced the CARICOM Common External Tariff and changes to other taxes on imports. The changes include a new tariff for customs import duties based on the current 2002 CARICOM Tariff structure, a new schedule of rates for customs import duties based on the CARICOM Common External Tariff but including derogations agreed with CARICOM. Changes also comprise a revised schedule of a consumption tax, exceptionally, a consumption tax of 60 per cent for alcoholic beverages and a reduction in the rate of the customs service tax from 8 per cent to 5 per cent. According to the Comptroller of Customs, Rudolph Dyett, the changes are not intended to raise additional revenue but to enable Montserrat to comply with its obligations as a member of CARICOM, and rates have been selected to ensure minimum impact on the rate of inflation.[12]

18. With effect from 1 January 2005, personal income tax rates have been reduced in order to balance the erosion of income as a result of high fuel prices, rents and costs related to the construction industry. The Government of Montserrat has also decided to increase the fees relating to landholding licences and those relating to undeveloped properties owned by foreign nationals, from July 2005 and January 2006, respectively.[13]

III. Status of the Montsoufriere volcano

19. The Montserrat Volcano Observatory was established after the eruption of the Montsoufriere volcano in 1995 and became a statutory body of the Government of Montserrat in 1999. Funded mainly through the United Kingdom Department for International Development (DFID), its role is to advise civilian authorities on the volcanic activity and associated hazards. Contrary to the initial prognosis, the volcanic eruptions were repeated in 2000, 2002 and 2003.

20. On 12 July 2003, the Soufriere Hills volcano erupted again. A series of volcanic explosions took place on 12 and 13 July, which sent ash up to 40,000 feet in the air. Part of the volcano's dome collapsed and the roads were covered with two inches of mud. The dome collapse also caused major ash fallout of up to 6 inches. The eruption forced the closure of airports in neighbouring countries. Large airlines, including Continental Airlines, American Airlines, Air France and US Airways, had to cancel flights into nearby St. Martin. Several flights were cancelled and had to be diverted to the British Virgin Islands, the United States Virgin Islands and Puerto Rico.[14]

21. Since a small collapse and explosion on 3 March 2004 and the elevated ash production and seismic tremor in the two months following, the volcano has been quiet with few surface expressions of activity. According to the Scientific Advisory Committee on Montserrat Volcanic Activity, the eruption has not stopped and the volcano is still capable of producing explosions or extruding more lava. However, the overall level of risk faced by the people of Montserrat from the volcano is

greatly reduced from that of early 2003. People crossing the Belham Valley are at risk from mudflows. The chance that in a year someone will be caught in a mudflow during a crossing is estimated at 1 per cent. A bridge will reduce that risk significantly, but will need to be designed and engineered to allow it to be raised, as it is anticipated that the riverbed at the bridge will rise up to one metre per year due to sedimentation. The construction of an access bridge to the former daytime entry zone, with a budget of $3 million, will enable all-weather access to the former daytime entry zone and signal the move to reoccupy certain areas south of Belham.[15]

22. Starting on 1 May 2004 the authorities agreed to allow full-time, 24-hour occupancy of the areas previously included in the daytime entry zone, including Cork Hill, Weekes, Delvins, Richmond Hill and Foxes Bay. That decision was made at a meeting of the Volcano Executive Group and after consideration of the Scientific Advisory Committee's report on Montserrat's volcanic activity, suggesting that a decade of intermittent violent activity is virtually over. The Government of Montserrat, however, is not recommending full-time occupancy of the areas previously included in the daytime entry zone owing to lack of utilities, the state of the road network and elevated ash levels. The exclusion zone, which covers roughly the southern half of the island, remains off limits for members of the general public.[16]

23. Within the two years between the volcano eruptions (1995 and 1997) roughly two thirds of the population of Montserrat had to flee. Most went to other Caribbean islands or to the United Kingdom, and fewer than 300 went to the United States, most living with relatives in New York and Boston. The United States granted the Montserratians temporary protected status, renewed yearly. In June 2004, the Department of Homeland Security ordered the end of Montserratians' temporary protected status effective 27 February 2005. Homeland Security officials explained that "the volcanic activity causing the environmental disaster in Montserrat is not likely to cease in the foreseeable future. Therefore, it no longer constitutes a temporary disruption of living conditions that temporarily prevents Montserrat from adequately handling the return of its nationals".[17] They based their determination on scientific reports from Montserrat and the United Kingdom that said that "eruptions of the type that have occurred at Soufriere Hills generally last 20 years, but the volcano could continue to erupt sporadically for decades ... there is only a 3.2 per cent probability that the volcanic activity will stop within the next six months. There is a 50 per cent probability that the volcanic activity will last another 14 to 15 years, and a 5 per cent chance that the volcanic activity will continue for over 180 years".[18] After 27 February, the Montserratians began to accrue "illegal presence", a status that could bar them from future readmission to the United States for years. About a third of the Montserratians in the United States managed to gain legal status in other ways and a few chose to go to the United Kingdom.[19] The Chief Minister, John Osborne, said that the return of so many nationals could pose serious difficulties for the volcano-ravaged island, especially regarding the provision of housing and employment.[20]

IV. Economic conditions

A. General

24. Volcanic activity and hurricane damage have combined to seriously undermine Montserrat's economic development and have implications for its future planning. As efforts to rebuild the economy continue, economic activity centres on reconstruction, which is largely funded through DFID.

25. As was reported in last year's working paper (A/AC.109/2004/13, para. 24), the analytical study conducted by the University of the West Indies, entitled "The challenges of achieving development in a micro state: The case of Montserrat 1995-2001",[21] concluded that Montserrat's economy had continued to experience a debilitating shock to its development since 1995. The study identified as major challenges limited financial resources; external decision-making; population size; limited development prospects; lack of natural resources; and lack of key infrastructure.

26. In 2004, preliminary data indicated that Montserrat recorded its third successive year of economic growth. Preliminary estimates of GDP reveal a growth in GDP of 4.26 per cent in 2004, an improvement to the revised 1.2 per cent growth rate achieved in 2003. The increased economic activity was mainly influenced by increases in value added for the banking, insurance, transportation, real estate and housing, construction, hotel and restaurant and Government sectors.[22]

B. Budget

27. According to the information provided by the administering Power, total revenue reflects additional budgetary aid received from DFID to cover the ash-clearing programme and monies provided to cover the Government's social security arrears liability on behalf of civil servants.[23]

C. Banking and finance

28. As was reported in last year's working paper (A/AC.109/2004/13, para. 28), Montserrat has a small offshore financial centre. In March 2002, the Organization for Economic Cooperation and Development (OECD) announced that it had removed Montserrat from its list of tax havens, as the Territory had made a commitment to transparency and effective exchange of information on tax matters with OECD countries by the end of 2005.[24]

29. According to officials of the United States Department of State, in their 2005 International Narcotics Control Strategy Report, Territories administered by the United Kingdom remain vulnerable to money-laundering because of their significant offshore sector and tax-free jurisdictions. Montserrat was denoted as vulnerable to money-laundering because of a lack of regulatory resources and exchange controls for transactions less than $250,000. The report recommended that the Government of Montserrat criminalize self-laundering related to domestic drug trafficking and ensure adequate oversight and supervision of its offshore sector to deter criminal and terrorist organizations from abusing its financial services sector.[25]

30. A monetary survey carried out by the Eastern Caribbean Central Bank shows that there is a high level of liquidity within the banking system. Using the net foreign assets as an indicator of national savings, Montserrat's net foreign assets increased from $119 million in 2000 to $173 million in 2004. Most of those assets are held within the commercial banking system. Domestic credit, in particular business credit, has decreased from approximately $8 million in 2000 to $4.7 million in 2004. The private sector activity has been assisted by the fairly stable consumer credit of $22 million lent to households. A considerable amount of that, however, goes into financing imports rather than local production.[22]

31. The Government of Montserrat continues to provide assistance to the private sector through policy-based tax exemptions in agriculture, tourism, financial services, construction, mining and quarrying. Concessions are granted to international businesses wishing to set up in Montserrat, including offshore schools, the exploration and development of geothermal power, a German water bottling company, mining and quarrying, hotel development and dive operation. The Government of Montserrat will allocate land and factory space to facilitate the work of Montserrat Composites Ltd., a joint venture company that collects and processes the ash deposits on the island into a variety of products for export.[22]

D. Tourism

32. During the reporting period, the tourist industry of Montserrat continued to be affected by the unfavourable conditions created by the eruption of the Montsoufriere volcano and subsequent destruction of infrastructure and accommodations. The Government continued efforts to keep the industry alive and developed plans for its reconstruction and expansion.

33. The Government of Montserrat views tourism as the sector that will provide long-term economic regeneration for Montserrat, and therefore it has allocated $7 million over a three-year period to fund tourism-related projects. It will also benefit from a recurrent budget allocation of $1.2 million, a 20 per cent increase over the 2004 allocation.[26]

34. A number of projects will commence in 2005 as part of the National Tourism Strategy and Plan, including the establishment of a national museum, the establishment of interpretive centres at the Montserrat Volcano Observatory and the Montserrat National Trust, the development of walking trails, the beautification of communities, the erection of tourism signposting, the undertaking of a beach improvement feasibility study, entitled "Marina and Yachting Audit", and the conducting of a tourism-awareness programme. The Government will also assist the private sector in the establishment of a golf course in the Foxes Bay area. It is in the process of assigning the necessary land, while the private sector is taking forward the design of the course.[27]

35. The Government has embarked on a tourism-awareness programme to educate the public in Montserrat about tourism and what it means to the economy of the island and to its people. It has also launched a media project designed to promote Montserrat's positive image. This will involve mounting a photographic exhibition in the United Kingdom, film production on Montserrat and training of media personnel and photographers. The "Montserrat on the Move" programme of

activities will be held alongside the media project and will celebrate Montserrat's resilience through the years of volcanic activity.[27]

E. Construction and infrastructure

36. As was reported in last year's working paper (A/AC.109/2004/13, para. 33), following the eruption of the volcano and the destruction of the capital and most habitable areas, the Government continued efforts to rebuild housing and infrastructure. During the reporting period, the Government, in cooperation with DFID, continued efforts to accommodate those residents who had been displaced by the volcano eruption. According to statements made by the Chief Minister, housing remains one of the greatest challenges, and Montserrat is still short of about 900 houses that would adequately accommodate those who are still not in proper housing.[28]

37. The Government of Montserrat anticipates the completion in 2005 of the Lookout Service Lots and the commencement of 60 European Union-financed housing projects at Lookout. During 2004, a housing strategy review was conducted by a Caribbean consulting group, which is currently being considered. In April 2005, a DFID housing mission will asses future housing needs and possible interventions in Montserrat. In order to promote private ownership of homes built under previous public housing programmes, the Government has been working with financial institutions to facilitate the transfer of homes to the occupants on affordable terms.[26]

38. In July 2004, following the preparation of a single programming document, which comprises the framework for development cooperation between the European Union and Montserrat and was submitted to the European Development Fund in December 2003 and approved in May 2004, Montserrat signed an agreement with the European Commission, giving it access to the ninth European Development Fund of €11 million/EC$ 33 million. That sum is to be spread over five years for the purposes of sustainable tourism and the development of private-sector activity, and information and communication technology.[18]

39. The funds allocated under that aid programme will assist in the development of a well-organized town centre at Little Bay, with the associated development of port facilities. An important part of the proposed development of Little Bay is the $6 million cultural centre, now under construction and planned for completion early in 2006. It will be Montserrat's first cultural centre since volcanic activities destroyed the one in Plymouth. The cultural centre is expected to drive investment in an array of cultural arts, providing a home for artists and exhibitions, a recreation centre and a centre of learning, and fostering national consciousness and pride.[29]

40. The Government of Montserrat is making arrangements to provide suitable accommodation for Government ministries and departments in Little Bay and at the Government headquarters site.[30]

41. The development of site infrastructure work has been completed to relocate businesses in Little Bay. Consultants are finalizing the design for Little Bay Town development, and the Government will be spending more than $9 million to provide additional space for private sector development.[30]

42. During 2004, the Government of Montserrat disbursed approximately $10.4 million under Gerald's airport project, which has contributed to an overall increase in economic activity on the island. A substantial amount of local labour was utilized on the project. Employment was generated for local truckers and suppliers and a range of sub-contract services in the building and related trades. The airport's air traffic control system has been installed, the new access road, tunnel and terminal building have been commissioned and the fire building has been completed. Completion of the project's main element, the 600-metre runway platform, has been re-programmed for completion to allow air service to commence by the end of May 2005.[31] The Government of Montserrat awarded a two-year contract to the St. Maarten-based Windward Islands Air Transport Services (Winair) to operate scheduled flights between Montserrat and Antigua using a 19-seater Twin Otter aircraft. On 22 February 2005, the Princess Royal opened the new $3.3 million terminal building on her visit to Montserrat, saying she hoped it would provide a greater degree of socio-economic stability for the island.[32]

43. Montserrat has been without an airport since the closure of WH Bramble Airport in June 1997, following a volcanic eruption that destroyed the terminal and other airport buildings. Currently, the only means of transport in and out of the island is ferry or helicopter.[21] As at February 2005, the ferry MV *Opale Express*, which became the major mode of transportation out of Antigua upon the closure of WH Bramble airport in June 1997, is no longer in service. The Ministry of Communication and Works is finalizing arrangements to buy a new ferry, which is likely to be a 90-foot Hydrocruiser with a 35-knot cruising capacity, 144-passenger seating capacity, a 30-foot beam and four Cater Pillar engines, propelled by four water jets. The Government of Montserrat intends to maintain ferry services until the new airport is completed and commissioned for use. A task force has been established to study the feasibility of ferry services in the longer term.[33]

44. In 2004 $1,539,000 was spent on recurrent road maintenance, including road and drain cleaning. In addition, the Government allocated $3,500,000 for reinstatement of roads. Some of those funds were used to rehabilitate a major road in Olveston in 2004, and the remaining funds will be utilized on minor road projects in 2005. A project totalling $20,000,000 to eliminate backlog maintenance over a period of five years was submitted to DFID by the Government. In January 2005, the Public Works Department started a patching programme along the roads of Montserrat. A new access road and tunnel leading to the new airport at Gerald's opened for public use in August 2004.

45. In November 2004, a new prison facility built with funds from the United Kingdom and Montserrat was opened in Brades, next to the police headquarters. Since the volcanic eruptions in 1995, the prison on Montserrat has been relocated eight times and prisoners from Montserrat have had to relocate 105 times to the United Kingdom, the British Virgin Islands, the Cayman Islands, Jamaica and the Turks and Caicos Islands. One of the key areas of focus will be the rehabilitation of inmates, preparing them for re-entry into society. The opening of the prison coincided with the regional conference hosted by Montserrat for the first time since 1994. Some of the key issues discussed during the conference included alternatives to custody, the international obligations of the United Kingdom that extend to prisons in the Territories and disaster preparedness and management from a prison perspective.[34]

F. Agriculture and fisheries

46. As was reported in last year's working paper (A/AC.109/2004/13, para. 37), the Territory's agricultural sector suffered not only from the 1995 and subsequent volcano eruptions, but also from a prolonged dry spell in 2001. The volcanic eruptions in 1997 dramatically reduced the area of land under cultivation, and agriculture is now concentrated in the northern part of the island. The fertile soils of the south, however, are far superior to the windswept, heavily eroded soils of the north. Attempts are being made to increase production of fruits, vegetables, eggs and meat for the local market.[35]

47. The Government of Montserrat is finalizing protocols in a trade deal that will allow the export of certain food crops to Antigua. In March 2005, the Ministry of Agriculture, Lands, Housing and the Environment reached a tentative agreement with the Government of Antigua on the export of fruits and vegetables. Once the protocols are signed, the Government of Montserrat will be able to export many local agricultural products, with the exception of guava, pineapples, citrus fruits, coconuts and the fruits from the mango plants.[36] In 1996, a ban was placed on all fruits and vegetables coming from Montserrat because the island was infested with the Pink Mealybug. The bug has been under control for years, and the Montserrat Farmers Association is trying to get Montserrat back into the exporting business.[18]

48. A major highlight of 2004 was the agricultural exhibition held from 14 to 16 April. Although agriculture contributes less than 3 per cent of GDP and its performance declined in 2004, the exhibition highlighted the potential of the sector, which is expected to play a significant role in a revitalized Montserrat economy.[31]

49. In 2004, the cassava industry was given a boost with the introduction of modern processing equipment designed to improve the efficiency of processing that crop. A four-day workshop was held in collaboration with the Caribbean Agriculture Research and Development Institution for farmers and processors, with the hope that the cassava industry will form part of Montserrat's agroindustry and export trade.[31]

50. In an effort to assist the agricultural community in Montserrat, the agricultural department opened the Farmers Resource Centre in September 2004, which is equipped with computers and current agricultural publications. It also serves as a meeting place and a venue for training activities.[26]

51. Work on two major projects — construction of an abattoir in Barze's and construction of the public market in Little Bay — are scheduled to commence in 2005. These two projects will provide livestock and crop farmers with the opportunity to improve the packaging, presentation and general marketability of their products to the consumer.[26]

52. The Government of Montserrat has established a new Department of the Environment under the Ministry of Agriculture, Lands, Housing and the Environment in order to bring environmental matters to the forefront of Government planning.[37]

53. In January 2004, the Government of Montserrat banned all meat and meat products from the United States of America owing to one case of BSE, or mad cow disease, which was confirmed in the United States. This action taken by Montserrat is consistent with the unified approach taken by all CARICOM member countries.

The ban will remain in place until local authorities can confirm that the threat of BSE has been eliminated. Local meat producers were encouraged and supported in their efforts to fill the gap created by the imposition of the ban on meat and meat products from the United States.[4]

V. Social conditions

A. Education

54. In 2004, the Department of Education continued to implement the programmes outlined in the five-year education development plan, 2002 to 2007. This support will concentrate on activities aimed at building professional capacity within the Montserrat education system and improving quality with regard to the educational achievement of all children. In the area of early childhood education, another early childhood centre is planned for the new school year, possibly situated in Salem.[38]

55. Montserrat Community College started operations in September 2004 on a budget of $1 million. The programme is limited to the CXC Advanced Proficiency Examinations and part-time courses in two business subjects at the CSC Secondary Education Certificate level. It will be expanded to cover technical- and science-based programmes, including nursing education and other skills suited to Montserrat's development needs. It is also expected that the Community College will offer courses in collaboration with established universities in the region, Europe and the United States.[39]

56. In order to ensure that a wider cross-section of the population has access to tertiary education, the Government of Montserrat will make available a student loan programme that includes grant funding by July 2005.[13]

57. The medical school, which started with a pre-med programme in 2003, is on hold until the school is registered with the World Health Organization (WHO). The application was sent to the Governor's Office for signing and then forwarded to the Government of the United Kingdom. According to Professor Orien Tulp, President of the University of Science, Arts and Technology, the school must be listed on the WHO register when the student graduates, in order for a physician to become licensed to practise medicine in Montserrat and in almost all other countries. Referring to the World Directory of Medical Schools, WHO declares that it has no authority to grant any form of recognition or accreditation to schools of medicine or other training institutions. Such a procedure remains the exclusive prerogative of the national Government concerned. WHO limits itself to publishing information on medical schools that has been provided or confirmed by the Governments of its member States.[40]

58. In March 2005, the Montserrat Youth Council elected a new board of executive members during its general election. The first section of the meeting consisted of a review of the national youth policy.[41]

B. Health

59. According to the Chief Minister, in 2004, as part of the Government's initiative to upgrade and expand primary care clinic facilities, a new operating

theatre and mortuary were established, and St. Peter's Clinic was opened at its new location. The Government allocated $2,049,000 for the renovation of elderly care facilities such as the Hill View and Margetson Memorial Homes. The Ministry of Education, Health, Community Services and Labour is drafting a housing project for mentally challenged persons in various communities, which will respond to the housing and care needs of that group.[42]

60. The Government of Montserrat has made arrangements for all remaining public servants to be covered by the Social Security Scheme with effect from 1 January 2005. Additionally, a proposal from the public service unions regarding a more flexible pension scheme is awaited. Once that is concluded, the Government will take steps to introduce an appropriate national health-care insurance scheme to ensure that all citizens have access to health care.[43]

VI. United Kingdom development assistance

61. As was reported in the 2003 working paper (A/AC.109/2003/2, para. 53), the Government of the United Kingdom provides assistance to Montserrat to establish basic infrastructure in the safe northern part of the island. DFID earmarked £72 million between 2002 and 2005/06 for projects within the country policy plan. During a visit to Montserrat in June 2004, the Parliamentary Under-Secretary of State, Gareth Thomas MP, announced a new three-year package of assistance worth £40 million for Montserrat. The commitment is included in a new country policy plan, which sets out the agreed strategy for continued work in support of efforts of the Government of Montserrat to rebuild infrastructure and to regenerate the island economy.[44]

62. In September 2004, the Chief Minister of Montserrat, John Osborne, attended the sixth annual Overseas Territories Consultative Council meeting in London with the Foreign and Commonwealth Office and the Chief Ministers of all United Kingdom Territories. Among the major issues discussed during the meeting was constitutional modernization. Most territories identified changes that should be made in their relationship with the United Kingdom. These include reducing the role of the Governor in the Executive Council; improving the partnership between the United Kingdom and the Territories, which could lead to greater autonomy in government; and further clarity on the options identified by the General Assembly in its resolution 1541 (XV). Discussions also focused on sustainable development, disaster preparedness, the Overseas Territories Environment Programme, climate change, HIV/AIDS and child protection, in response to article 15 of the Convention on the Rights of the Child.[45]

VII. Relations with international organizations and entities

63. The Territory continues to be a member of CARICOM and the Organization of Eastern Caribbean States, as well as of the institutions associated with both groups, including the University of the West Indies, the Caribbean Development Bank and the Eastern Caribbean Central Bank. Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean and its subsidiary bodies. The Territory is represented at the meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank.

64. As was reported in the 2004 working paper (A/AC.109/2004/13, para. 47), Montserrat intends to sign the treaty with the CARICOM Single Market and Economy (CSME), which will bring a closer integration between the 15 States members of CARICOM.

65. The Government of Montserrat is still awaiting the legal approval from the British Government to sign on to CSME and the Caribbean Court of Justice in its original jurisdiction.

66. According to information provided by the Government in November 2004, Montserrat has been granted more time to prepare for CSME. Regional leaders at the summit held in Trinidad, in November 2004, have decided to delay the full implementation of CSME until 2008. While the first phase of the single market is to be implemented by December 2005, a single economy will come into effect three years later. The Chief Minister, John Osborne, said he was confident that Montserrat would meet the new deadline. Montserrat expects to benefit from the Caribbean Development Fund, designed to assist weaker economies in the region. The Caribbean Development Bank is preparing the outline of the Caribbean Development Fund, which will come into effect in December 2005.[46]

67. Parliamentary officials and community leaders agree that there is a need for more public education on CSME and the Caribbean Court of Justice. Montserrat will benefit from United States Agency for International Development support valued at over $500,000 for public education on CSME. Funding will be available to CARICOM member States to support the second phase of a public education project, which began early in 2004.[47]

68. In June 2004, private sector facilitation meetings were held in Montserrat to discuss the CSME work programme for 2004-2005, which includes the development of a regional private sector collaborative network, the creation of a direct mail service, the establishment of an inbound telemarketing service, an interactive link — a CSME page on the CARICOM website — and the involvement of the private sector in business development opportunities created by international programmes.[48]

69. The Government of Montserrat is participating in the harmonized system by implementing the final phase of the Common External Tariff, with effect from 1 June 2004. When that tariff is implemented, it will be more aligned with that in CARICOM and to the lower rates proposed by the World Trade Organization.

VIII. Future status of the Territory

A. Position of the territorial Government

70. During the discussion on the distribution of powers and responsibilities between the Governors and the elected officials of the Territories, at the fifth annual meeting of the Overseas Territories Consultative Council in December 2003, the Chief Minister of Montserrat agreed with the representatives of other Territories that, without a reduction in the Governor's powers, it would not be possible to develop. Montserrat was grateful for the assistance received from the United Kingdom, but an arrangement where responsibility for the civil service and police rested with the Governor rather than with independent public and judicial service

commissions gave the Territories no opportunity to prepare for eventual independence. The Chief Minister had to have a say in the appointment of the Commissioner of Police. Montserrat had no real problems with the relationship with the United Kingdom, but the Chief Minister sympathized with the colleagues who felt that too many matters were imposed upon them from London.

B. Position of the administering Power

71. In February 2005, regarding the issue of independence, the United Kingdom Minister for the Overseas Territories, Bill Rammell, M.P., distributed a policy memorandum to all territorial Governors, including the Governor of Montserrat, which stated that a referendum was the favoured choice of the British Government for the people to express their choice on the future political status of the Territories. The Minister said that the United Kingdom had to be satisfied that any Territory that decided to become independent was doing so on the basis of the clearly and constitutionally expressed wish of the people and that the presumption of the British Government was that a referendum was the most appropriate way of testing that.[49]

72. In his statement at the 3rd meeting of the Fourth Committee, on 5 October 2004, at the fifty-ninth session of the General Assembly (see A/C.4/59/SR.3), the representative of the United Kingdom said that the United Kingdom again welcomed the opportunity, as administering Power for 10 of the 16 Territories on the United Nations list of Non-Self-Governing Territories, to update the Committee on developments since it last met.

73. He stated that the partnership between the United Kingdom and its Overseas Territories continued to develop. The sixth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2004. The Council, which had been chaired by the Minister for the Overseas Territories, was the forum for dialogue between democratically elected Chief Ministers and their equivalents from the Territories and United Kingdom Government Ministers. The meeting in 2004 again gave the opportunity for discussion on the relationship between the United Kingdom and the Territories, on constitutional modernization issues, on sustainable development, including good governance and environmental matters, and on other issues relating to the international obligations of the United Kingdom.

74. The representative stated that the Minister for the Overseas Territories had made useful visits to two of the Territories, the Falkland Islands (Malvinas) and the British Virgin Islands, in the past year. These had enabled him to meet a range of people in the two Territories and to get better, first-hand, knowledge of them. He had also been able to have discussions on a wide range of issues with elected representatives in their own Territories.

75. The United Kingdom, he pointed out, welcomed the progress that was being made in the constitutional review process. Useful and productive discussions had been held over the past year by United Kingdom officials with representatives of Montserrat, St. Helena and the Turks and Caicos Islands. In St. Helena, a draft constitution had been prepared and wider consultation on it was under way. Constitutional reform proposals for Gibraltar had been submitted in December 2003. Dates had not yet been set for formal talks.

76. Conscious of the limited resources in a number of the Territories, the United Kingdom Government was continuing to support projects in various fields to raise local capacity and to promote sustainable development and good governance. Projects ranged from economic diversification, to the reform of legislation governing child and family welfare, to a study on the alternatives to custodial sentencing.

77. He recalled that, in 2003, the representative of the United Kingdom had said that additional funds were expected to be provided by the Foreign and Commonwealth Office and the Department for International Development to support environmental work in the Territories and the implementation of the Overseas Territories Environment Charters signed in 2001. The joint Overseas Territories Environment Programme was funding 23 new projects in 2004-2005, three of which were multi-territory initiatives. They included habitat restoration, surveys of natural living resources and capacity-building for both Government and civil society institutions.

78. Regrettably, he said, the Caribbean had again suffered badly from hurricanes and, in the context of the Territories, he mentioned the devastation caused by hurricane Ivan to the Cayman Islands, despite good local contingency planning. The United Kingdom had been able to provide some immediate help and other Territories and neighbouring States had also helped. The United Kingdom and the Cayman Islands were very grateful to all for their assistance. Although much remained to be done, encouraging steps were being taken to enable the Territory to return to normality. The Turks and Caicos Islands also had suffered quite extensive damage in part of the Territory a few weeks earlier.

79. The United Kingdom representative mentioned that, in response to requests from some Overseas Territories for help in accessing European Commission economic, trade and development assistance, an official with responsibility for liasing with the Commission had been appointed in 2003 to the Foreign and Commonwealth Office Overseas Territories Department. He continued to work with several of the Territories in identifying and pursuing Commission development aid as provided for under the European Union-Overseas Countries and Territories Overseas Association Decision of November 2001.

80. The representative said that the United Kingdom continued its informal cooperation with the Special Committee. The most recent involvement had been when a United Kingdom representative had attended and presented a paper on constitutional developments in the United Kingdom Territories at the Special Committee seminar held in Papua New Guinea in May 2004. He stated that perhaps the most positive recent development was the proposal for a visit to Bermuda with a view to considering movement towards that Territory's delisting. He concluded by saying that the Secretariat was in touch directly with Bermuda on preparing for that.

IX. Consideration by the General Assembly

81. On 10 December 2004, the General Assembly adopted resolutions 59/134 A and B without a vote; section VII of resolution 59/134 B is specifically devoted to Montserrat.

Notes

[1] The information contained in the present paper has been derived from published reports and information available on the Internet. The facts and figures presented in the working paper are the latest information available.

[2] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", United Kingdom White Paper, March 1999 (A/AC.109/1999/1 and Corr.1, annex).

[3] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 4 (see www.gov.ms).

[4] www.gov.ms/archives.

[5] *St. Helena Herald*, 25 April 2003.

[6] *The Island Sun*, 29 March 2003.

[7] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 19 (see www.gov.ms).

[8] BBC Caribbean, 19 February 2005.

[9] *The Royal Gazette*, 16 October 2003.

[10] www.giu.gov.ms.

[11] www.giu.gov.ms/archives, 4 June 2004.

[12] Ibid., 30 June 2004.

[13] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 25 (see www.gov.ms).

[14] *Caribbean Insight*, 1 August 2003, vol. 26, No. 27.

[15] Assessment of the Hazards and Risks Associated with the Soufriere Hills Volcano, Montserrat, Third Report of the Scientific Advisory Committee on Montserrat Volcanic Activity, issued 21 October 2004 (see www.mvo.ms).

[16] www.giu.gov.ms/archives, May 2004.

[17] *The New York Times*, 9 August 2004.

[18] *The Montserrat Reporter*, 5 September 2004.

[19] *The New York Times*, 2 March 2005.

[20] BBC Monitoring Americas, 4 August 2004.

[21] Ibid., 12 August 2003.

[22] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 3 (see www.gov.ms).

[23] Ibid., p. 21.

[24] Agence France-Presse, 7 March 2002.

[25] *The Montserrat Reporter*, 11 March 2005.

[26] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 11 (see www.gov.ms).

[27] Ibid., p. 12.

[28] *Trinidad News*, 31 July 2004.

[29] *The Montserrat Reporter*, 24 January 2005.

[30] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 7 (see www.gov.ms).

[31] Ibid., p. 10.

[32] BBC Monitoring Americas, 24 February 2005.

[33] *The Montserrat Reporter*, 31 January 2005.

[34] www.giu.gov.ms/archives, 16 November 2004.

[35] Ibid., 1 September 2004.

[36] *The Montserrat Reporter*, 24 March 2005.

[37] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 20 (see www.gov.ms).

[38] Ibid., p. 15.

[39] Ibid., p. 16.

[40] *The Montserrat Reporter*, September 2004 (see www.who.int/hrh/vdms/eng).

[41] Ibid., 18 March 2005.

[42] The 2005 Budget Speech by Chief Minister John A. Osborne, p. 14 (see www.gov.ms).

[43] Ibid., p. 18.

[44] www.giu.gov.ms/archives, 23 June 2004.

[45] Ibid., 28 September 2004.

[46] Ibid., 12 November 2004.

[47] BBC Monitoring Americas, 30 July 2004.

[48] www.giu.gov.ms/archives, 11 June 2004.

[49] BBC Monitoring Americas, 15 February 2005.